

BOARD POLICY – BOARD PROCESS

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<u>POLICY TITLE</u> <u>TERMS OF REFERENCE</u> Board Director		
<u>AUTHORIZATION</u> Chair, Board of Directors Fraser Health	<u>DATE APPROVED</u> May 2005	<u>CURRENT VERSION DATE</u> February 2021

DATE(S) REVISED / REVIEWED SUMMARY

Version	Date	Comments / Changes
1.0	May 2005	Initial
2.0	August 2014	Current
3.0	July 2015	Reviewed - edit made to Section E, point 4.
4.0	December 2016	Reviewed - no changes
5.0	December 2018	Reviewed - no changes
6.0	February 2021	Reviewed - no changes

1. FIDUCIARY RESPONSIBILITIES

Broadly speaking, a director of the Authority has several fundamental obligations to perform.

a) Honest and Good Faith

Common law requires a director to act honestly and in good faith with a view towards the best interests of the Authority. The key elements of this standard of behaviour are:

- i. A director must act in the best interests of the Authority and not in his or her self-interest. This also means a director should not be acting in the best interests of some special interest group or constituency.
- ii. A director cannot take personal advantage of opportunities that come before him/her in the course of performing his/her director duties.
- iii. A director must disclose to the Board any personal interests that he/she holds that may conflict with the interests of the Authority.
- iv. A director must respect the confidentiality requirements of the Authority's Code of Conduct and Conflict of Interest Guidelines.

b) Skillful Management

A director shall exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in similar circumstances. This means:

- i. The standard of behaviour expected of a director will depend upon the particular qualities or characteristics that the director brings to the Authority relative to the particular matters under consideration.
- ii. The director must be proactive in the performance of his or her duties by:
 - Attending meetings; a director who has not attended meetings of the Board, must show diligence by examination of reports, discussion with other

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directors, and otherwise being sufficiently familiar with the organization’s activities so that he/she does not suffer as a result of non-attendance;

- Participating in a meaningful way; and
- Being vigilant to ensure the Authority is being properly managed and is complying with laws affecting the Authority.

2. STANDARDS OF BEHAVIOUR ESTABLISHED BY THE BOARD

The Board has established the following standards of behaviour for directors.

a) General

As a member of the Board, each director will:

- i. Demonstrate a solid understanding of the role, responsibilities and legal duties of a director and the governance structure of the Authority as outlined in the Board Manual;
- ii. Demonstrate high ethical standards in personal and professional dealings; and
- iii. Understand the difference between governing and managing, and not encroach on management’s area of responsibility.

b) Strategies and Plan

As a member of the Board, each director will:

- i. Demonstrate an understanding of the Authority’s strategic direction;
- ii. Contribute and add value to discussions regarding the Authority’s strategic directions; and
- iii. Participate in monitoring and evaluating the success of the Authority and the CEO in achieving established goals and objectives.

c) Preparation, Attendance and Availability

As a member of the Board, each director will:

- i. Prepare for Board and committee meetings by reading reports and background materials distributed in advance;
- ii. Maintain an excellent Board and committee meeting attendance record¹;
- iii. Organize him/herself so as to be able to attend the entire Board or committee meeting, not just parts of meetings; and
- iv. If unable to attend in person, a Member may participate in a Board meeting or committee meeting by such telephone, electronic, or other facilities that permit all persons participating in a Board meeting to communicate adequately with one another, and is not required to be physically present to be counted as part of the quorum.

¹ The target is 100% attendance. Anything less than 80%, without extenuating circumstances, would create difficulties for the Board.



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d) Communication and Interaction

As a member of the Board, each director will:

- i. Demonstrate good judgment;
- ii. Interact appropriately with the leadership and management of the Authority;
- iii. Participate fully and frankly in the deliberations and discussions of the Board;
- iv. Be a positive and constructive force within the Board;
- v. Demonstrate an openness to others' opinions and the willingness to listen;
- vi. Have the confidence and will to make tough decisions, including the strength to challenge the majority view;
- vii. Maintain collaborative and congenial relationships with colleagues on the Board; and
- viii. Advise the CEO and the Chair in advance when introducing significant and/or previously unknown information or material at a Board meeting.

e) Health Authority Knowledge

Recognizing that decisions can only be made by well-informed directors, each director will:

- i. Become generally knowledgeable about the Health Authority's operation, health care issues, and how the Authority fits into the provincial health care system.
- ii. Participate in director orientation and development programs developed by the authority from time to time;
- iii. Maintain an understanding of the regulatory, legislative, social and political environments within which the Authority operates; and
- iv. Become acquainted with the authority's senior leadership team.